

## Drawdown Management Tools

The need to reduce staff may be caused by base closure or realignment, workload changes, the imposition of fiscal constraints, or competitive sourcing activity. Once a reduction decision is made, a plan must be developed. A variety of tools exist that managers may use to reduce staff while avoiding involuntary separations and meeting mission requirements. The following information highlights the most significant of these.

- **Hiring Limitations.** During downsizing, activities may choose to limit the number of employees they add to the employment rolls, fill positions on a temporary basis to stockpile for use in reduction in force (RIF), or to limit movement within the activity. Limitations could include a total freeze on promotions or accessions, or a limited restriction whereby activities replace some of the employees who leave (e.g., two employees hired for every five who leave). Limitations may cover the entire Department, a Component, a subordinate activity, or an installation. Hiring limitations may justify blanket exceptions to Priority Placement Program procedures; these should be discussed with the Priority Placement Program coordinator for your geographic area.
- **Reduction in Force (RIF).** RIF is a structured, orderly process through which employees are separated or placed in other positions at the same or lower grade. RIF retention is based on employment tenure, veterans' preference, length of service and performance. Those last hired, are often the first fired. Employees are entitled to at least 60 days notice before a RIF is effective. Under certain circumstances, employees may volunteer for RIF (Voluntary RIF or VRIF Program) to help avoid the separation of another employee.
- **Priority Placement Program (PPP).** DoD established this automated referral program in 1965 to match employees facing reduction in force with vacant positions. Such employees must register in an automated system operated from Dayton, Ohio. As vacancies occur, human resources offices use the web based application, Automated Stopper and Referral System (ASARS) the Dayton office where the central PPP mainframe is located to immediately refer resumes of employees who match the title, series, and grade of the vacant position and who have indicated availability at that location. Selection is mandatory if the registrant is found well qualified for the vacancy. At closing installations, early registration is available 1 to 2 years before RIF notices are issued as requested by the installation commander. After receipt of a RIF separation notice, registration is mandatory. Employees selected through the PPP are generally entitled to relocation expenses. Registration of separated employees continues for up to 12 months after separation.
- **Separation Incentives or Buyouts.** Buyouts are lump sum payments of up to \$25,000 paid by DoD to encourage employees to resign or retire. Buyouts are targeted to employees in specific grades, series, or locations to help avoid reductions in force and minimize involuntary separations. Generally, activities must offer buyouts to their employees at least 30 days prior to the issuance of RIF notices. Buyouts are also referred to as incentives, VSIP (Voluntary Separation Incentive Pay), or separation pay.

- **VSIP Phase II.** Most separation incentives are offered at downsizing activities. VSIP Phase II incentives, however, are offered to employees at non-downsizing activities to create placement opportunities for those facing separation at downsizing activities. Employees who are under RIF notices are registered in the VSIP Phase II Program. Other activities query the program (through the Program under the ASARS Web) to match the registrants with their own employees who are willing to take incentives. The non-downsizing activities may either look for a registrant who is an exact match (same title, series, grade, and well qualified for the position) for a prospective incentive taker or they may use the program for force shaping, i.e. abolish the incentive taker's position and establish a new position in a different series or grade (the activity must, of course, place a VSIP Phase II Program registrant in the new position.). In either case, the downsizing activity pays the incentive and any associated PCS costs.
- **Voluntary Early Retirement Authority (VERA).** The Office of Personnel Management delegates this authority to agencies to help them reduce staff by allowing employees to retire under reduced age and service requirements (age 50 with 20 years of service, any age with 25 years of service). Under CSRS, the retirement annuity is reduced by 2 percent per year for each year the employee is under age 55. There is no reduction to a FERS annuity. Also referred to as early retirement or early out.
- **Career Transition Assistance.** This includes a range of programs managed by the Department, by local activities and in partnership with the Department of Labor. These programs are designed to help employees find jobs or prepare for new careers. Assistance includes the Defense Outplacement and Referral System (DORS), through which employees register on-line for jobs in DoD, non-DoD Federal agencies, private sector, overseas, and state and local governments. Registration in DORS is voluntary for civilians and their spouses. Assistance may include payment of relocation costs for employees to move to take jobs with other Federal agencies (Outplacement Subsidy Program). Local assistance programs include Job Clubs and Job Fairs as well as the creation of employee assistance centers at closing and downsizing installations. Training and retraining to facilitate transition assistance programs are most often managed by the Department of Labor in coordination with local installations.
- **Reemployment Priority List (RPL).** Each agency, in this case the Department of Defense, is required to maintain a list within the commuting area of employees who have RIF separation notices and compensable recovered employees for restoration of employment in the Department.
- **Interagency Career Transition Assistance Plan (ICTAP).** In response to a Presidential Memorandum issued September 12, 1995, the Office of Personnel Management (OPM) established ICTAP. Under ICTAP, employees who have RIF separation notices receive special selection priority when they apply and are well qualified for vacancies in other Federal agencies. Activities notify employees of this program when RIF notices are issued.

- **Reassignment or Promotion to Critical Vacancies.** DoD has waived applicable provisions of the PPP to permit a closing installation to reassign or promote an employee from the same commuting area permanently into a pre-identified "key or critical to base operations" position. Use of the waiver requires that the Component guarantee post closure reassignment of the employee (also an exception to the PPP), unless the employee is eligible for optional or early retirement. Participating employees are ineligible for PPP registration based on the closure of the installation.
- **Employee Assistance after Separation.** Most employees separated by RIF are entitled to payment for unused annual leave, severance pay (either in bi-weekly payments or in a lump sum), and unemployment compensation. If these employees elect to continue their health insurance, for up to 18 months DoD will pay the employer portion of the premium and any administrative fees. They may also use their accumulated annual leave to meet retirement eligibility.